

Memorandum for the Log

10 December 1951

1. Personnel. The Wage Stabilization Board has expressed the informal opinion that wage board personnel, salary board personnel and personnel whose wages or salaries are governed by independent administrative wage fixing authority are subject to the rules and regulations of the Board. Since the employees of this Agency are considered to be under independent wage fixing authority, it would follow that the salary program of CIA is subject to the review and approval of the WSB. This opinion was elicited from representatives of WSB at an informal meeting attended by [redacted]

[redacted] following an initial approach to WSB by Personnel. I informed representatives of WSB that their administrative implementation of the statute, Defense Production Act of 1950, offers conflict with the nondisclosure and protection of intelligence source provisions of P. L. 110; that this Agency would not be in a position to submit facts and figures with respect to numbers of personnel, salaries, etc; that we would apply general standards which had already been approved by the WSB via other agencies and rulings; and that this would be the maximum information that could be relayed to WSB without violating our Congressional mandate. AEC, which has independent wage fixing authority, has submitted a very general letter to WSB, which has had no action to date. The next move would require that we advise WSB of the above position and attempt to settle the matter at that point without further reference. [redacted] is following this matter.

2. Procurement. Along the same lines, Administrative Services is applying the standards required by the Davis-Bacon Act without obtaining the formal determinations or rulings of the Department of Labor. Representatives of Services have raised the question of possible reprimand by the Department of Labor for not reporting in accordance with the Department of Labor rules and regulations. If challenged, it would appear that the requirements of Sec. 7 are paramount. The necessity therefor should be made a matter of record, however, in the event of inquiry or request for information by the Department of Labor - another example of a specific statute versus a statute of general applicability. Services action with [redacted] and OGC assistance.

This matter has been coordinated with Ed Edwards who says the STAT must stand behind P. 7. Daniel Touch "base" with WSB, followed if necessary, by my general letter, which point to trust and sign off

Services will make a matter of record - Concurrence of 145 - plus brief memo from this off

4. Procurement. Recently, two suppliers were identically responsive to an invitation to bid, one contractor certifying that it was "small business" within the contemplation of statutes and regulation, the other stating that it was not "small business." The sales representative of the ^{Latin} organization [redacted] checked with our Procurement Office and stated that he had reservations with respect to the correctness of his certification. He pointed out to representatives of Procurement that he was the resident or general manager of [redacted] branch of the national concern and that as such he possessed a certain amount of autonomy and employed not in excess of twenty-two individuals. He was somewhat less than clear with respect to the financial, personnel and other organizational aspects of the relationship between branch and parent. Apparently he felt that on these facts Procurement would be in a position to determine whether he was or was not "small business." In the meantime, he posed this question to the administrative assistant [redacted] as a "matter of information." I requested [redacted] to develop additional information and to check with GSA and Army, who have similar statutes and regulations governing the award to small business concerns. Ordinarily, tie bids are resolved by drawing lots, but under existing procedures, a tie bid is awarded to the small business concern. I requested that the making of the award be tabled until further facts could be developed.

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